

D21
Doree
(D. P. Roman)

The Peoples Bank of Red Level

Established 1914

P.O. Box F, 29607 Main Street, Red Level, Alabama 36474 Telephone (334) 469-5335 Fax (334) 469-5336

September 22, 2005

2005 SEP 26 AM 10 08

Federal Deposit Insurance Corporation
San Francisco Regional Office
Director John F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, California 94105

Dear Director Carter:

On behalf of myself, my bank, my directors, and the citizens of my small town community, I strongly urge you to reject the application by Wal-Mart Stores, Inc. to charter an Industrial Loan Company bank in Utah. The barrier between Banking and Commerce has played an integral part in the safety and soundness of the banking system and in maintaining a healthy U.S. economy. This barrier has been reinforced by Congress representing the American people. Allowing a commercial firm such as Wal-Mart to operate a full-service nationwide FDIC insured bank, as proposed, raises significant safety and soundness concerns and threatens our nation's policy of maintaining the separation of Banking and Commerce. The systemic risk posed by a Wal-Mart bank would be enormous. Approval of Wal-Mart's request could jeopardize the safety and soundness of the banking system. The barrier between banking and commerce should not be dismantled for Wal-Mart. The economic and business collapses that took place in Japan, Germany, Spain and Argentina when they broke the barrier between banking and commerce are good examples to consider.

Additionally, strong evidence exists to suggest that approval of Wal-Mart's ILC application would effectively destroy the community banking industry in America. Wal-Mart has already demonstrated that it is a so-called "category killer" because it tends to crush competition. We have seen what Wal-Mart has done to Main Street America, closing down virtually all mom and pop stores and small businesses in small communities such as ours. Wal-Mart's prior behavior strongly suggests that after Wal-Mart receives approval for the ILC, they will then seek to revise their charter to enter into banking directly. At that juncture, Wal-Mart will be competing with community banks in every town where they have a store. The future of the community banking industry is truly at stake at this moment in our nation's history and rests almost entirely upon FDIC's decision.

In 1999, Congress ended Wal-Mart's attempt to buy a unitary thrift in Oklahoma by prohibiting commercial companies from owning such a firm. In 2002, the California legislature blocked Wal-Mart's acquisition of a state bank by enacting a law preventing non-financial firms from buying ILC's. Recently that state's legislature has turned Wal-Mart down again. We respectfully request that FDIC not allow Wal-Mart an ILC charter because it is highly likely that the company will simply revise the charter and enter into traditional banking, directly competing with community banks. Allowing Wal-Mart to be the "category killer of banking" will quite likely price community banks out of the local markets, effectively eliminating the engine for economic growth in the community. The resulting eventual demise of community banks, communities, and the dual banking system, would serve no one but Wal-Mart.

There are a lot of good reasons for not allowing one giant entity to control a major part of the payment system. Giant banks have enormous public policy implications. The trillion dollar bank that could result from approval of a Wal-Mart charter would be "Too Big to Fail" and would pose a systemic risk to the F.D.I.C. Insurance Fund. Evidence shows that increased concentration in the banking industry has not benefited bank customers and has not had a positive effect on the convenience and needs of communities served by the banks.

Loan to Deposit Ratios in small town community banks are already very low. How much lower would a Wal-Mart bank drive them down? How much higher rates would Wal-Mart pay on deposits with their tremendous volume?

Director Johns F. Carter

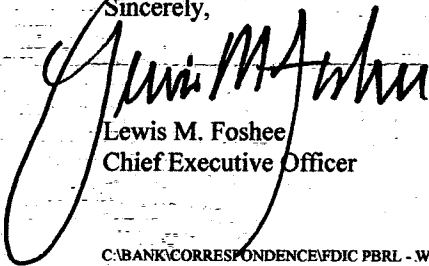
September 22, 2005

Page 2

Would Wal-Mart run its banks at cost until they drove the banking competition out of business, similar to how they sell their gas at cost and drive the 7-11 stores out of business? The aforementioned are only a few of the really good reasons for not allowing Wal-Mart into banking. There are many more. The gravity of this matter is tremendous. FDIC is essentially the only participant in the process at this moment in history with the power to take action to do what is right for the people of America and the safety of the banking system. Please reject Wal-Mart's application.

Thank you for the opportunity to comment on this important matter. Please consider the Wal-Mart application carefully and follow the path of maintaining a strong barrier between banking and commerce, and keeping a strong community banking industry intact to serve Main Street America's financial needs for generations to come.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Lewis M. Foshee".

Lewis M. Foshee
Chief Executive Officer

C:\BANK\CORRESPONDENCE\FDIC PBRL - WALMART LETTER.DOC